

**Memorandum of the Meeting
Rescheduled Study Session/Meeting
Twenty-Sixth Town Council of Highland
Monday, October 19, 2009**

The regular study session of the Twenty-Sixth Town Council of the Town of Highland was convened at the regular place, the Highland Municipal, 3333 Ridge Road, Highland, Indiana, in the plenary meeting chambers on **Monday, October 19, 2009** at the regular time of 7:11 o'clock p.m.

Silent Roll Call: Councilors Bernie Zemen, Mark Herak, Dan Vassar, Brian Novak, and Konnie Kuiper were present. The Clerk-Treasurer Michael W. Griffin was present to memorialize the proceedings. A quorum was attained.

Also present: John Bach, Director of Public Works; Peter T. Hojnicky, Metropolitan Police Chief; and Cynthia Singleton, Clerk-Treasurer Intern were also present.

Ed Dabrowski of the Park and Recreation Board; Mark Roorda and Dan Stombaugh of the Town Board of Metropolitan Police Commissioners; Erich Swisher, President of Highland Fraternal Order of Police; and Robin Carlascio, Editor of the Gazebo Express, were also present.

Sergeant John Banasiak and Cpl. Chris Balbo were also present.

General Substance of Matters Discussed

1. The Town Council and the Town Clerk-Treasurer discussed the proposed budget for FY 2010. The study session was to be largely dedicated to the reconciliation of the budget.

The Clerk-Treasurer indicated that the budget as proposed was *funded* but not balanced. The Clerk-Treasurer explains that Indiana law really does not require a balanced budget but rather a Funded budget and explained the distinction.

The Clerk-Treasurer further indicated that depending upon collection rates, the General fund possesses a deficit of between \$402,933 to \$380,948. He further reported that the deficit was systemic, owing in part to the effects of IC 6-1.1-18.5-2(c), which froze the operating levies for all Lake County civil government's only at its FY 2007 level unless the County Council adopted a county Local option income tax. The tax levy freeze meant that the operating levy lost its potential allowable increase of \$225,111. He further noted that as a consequence of the State assuming the much of the costs of the police pension fund, the law further required that the maximum levy of the municipality be reduced by \$273,895.

The Clerk-Treasurer further reported that owing to the deficit, that even if the proposed budget is adjusted to FY 2009 levels, the deficit would erode cash reserves to exhaustion perhaps in two years or less. He further reported that any new spending such as raises, not offset by reductions or new revenue, could not be sustained.

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The clerk-treasurer presented other reports that presented the history of the property tax collection rates for Highland since 2001. Finally, the Clerk-Treasurer offered the following recommendations to the Town Council:

- A. Remove all new full-time positions that were not included in FY 2009.
- B. Try to get the proposed increases over FY 2009 reduced unless funded by new income. (Sanitation Department of the General Fund is funded) Also, adjust the budgets to reflect the lower

possible increase in health insurance premiums of at 6% instead of the advertised 22% as estimated earlier.

- C. Develop a plan that over two or three years will proportionately reduce budgets by the general fund deficit. (Medium range)
 - D. Adopt by home rule to be effective in FY 2011, a new public safety fund, departmentalizing with Police, Fire, VIPS, removing them from the General Fund. It would be funded with its own levy. It would receive receipts from LE grants, and special user fees or charges directly related to law enforcement.
 - E. Understand property taxes are the flat-lined operating revenue. Reducing reliance on property tax for all non-public safety functions will help. Also, find ways to reduce costs, while retaining quality and services within a "price point" of government.
2. With leave from the Town Council, Officer Erich Swisher presented some requests for the consideration of the Town Council to be part of the budget deliberation.

He expressed the desire for a percentage raise instead of a bonus noting that the bonus does not count as part of the first class patrol officer based and therefore brings no increase to the retirees.

Officer Swisher and Sgt. Banasiak asked if the worker premium for health insurance could be capped or based on something other than a percentage of the worker's pay.

A colloquy ensued between and among the Town Council members, the Clerk-Treasurer and Officer Swisher regarding whether or not an increase to longevity, or to vacations, or to compensation time or to uniform allowances could be added to the budget without cuts or new revenue. It was noted that in all cases they represented increases to recurrent costs and without major reductions or major new revenues they could not be sustained and would exacerbate the deficit, accelerating the exhaustion of the cash reserves.

The discussion included the possible uses for a recent one-time distribution of excess levy from the dormant County welfare and related funds, distributed to the several taxing units to be used for "public safety purposes."

It was determined that the Town Council would exercise its standing study Session for Saturday, October 24 2009.

3. With leave from the Town Council, Mr. Carl Moore, who indicated that he was associated with the Storm Damage Specialists of America, inquired whether or not ordinance or regulations that regulate the time period in which advertising signs may remain displayed associated with their work could be relaxed to permit a longer period of display. He noted that the signs are a way for his company to advertise. The signs are displayed for houses that through his company's assistance have an insurance supported repair or retrofit performed. Mr. Moore further noted that the homeowners are compensated in the amount of \$250 for permission to display the signs in their lawns.

The Town Council encouraged Mr. Moore to contact the Building Commissioner regarding the matter.

There being no further business to come before the Town Council, the regular study session of the Town Council, of **Monday, October 19, 2009**, was adjourned at 9:35 o'clock p.m.

Michael W. Griffin, IAMC/MMC/CPFA
Clerk-Treasurer